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Letter dated 12 November 2010 from the President of the Governing Council of the United Nations Compensation Commission addressed to the President of the Security Council

I am pleased to provide my final report as the President of the Governing Council on the results of the Governing Council's seventieth session, which was held in Geneva from 9 to 11 November 2010.

As you are aware, since 2008, the Governing Council has welcomed the willingness of the Governments of Iraq and Kuwait to enter into consultations under the auspices of the United Nations Compensation Commission, on the unpaid balance that remains owing to Kuwait, which currently stands at $21.7 billion. During the opening plenary meeting, the delegations of Kuwait and Iraq addressed the Council. The Council members used this opportunity to indicate their strong support for the consultations to resume as early as possible and, in this regard, letters are being sent to both Governments at the direction of the Council.

With regard to the arrangements for ensuring that payments are made to the Compensation Fund, the Council requested that I highlight in this report the importance of the current arrangements remaining in place, or a proper successor mechanism for the transfer of 5 per cent of Iraq's oil proceeds to the Compensation Fund being established by the Government of Iraq.

With respect to the Follow-up Programme for Environmental Awards established pursuant to decision 258 (2005), the Council considered the question of possible options for the Programme's future. Reaffirming that the mandate of the Programme is to ensure that funds are spent on conducting the environmental remediation projects in a transparent and appropriate manner and that funded projects remain reasonable activities, the Council identified as structural systems and controls five criteria for further consideration for the purpose of fulfilling that mandate in the near term. The Council expressed the view that, upon the participating Governments' establishment of those structural systems and controls and provision of adequate assurances, the mandate of the Programme can and should be fulfilled by the participating Governments in the near term. The Council established a new open-ended working group for the purpose of further considering this issue and the views of the participating Governments and the Government of Iraq. The Council anticipates that it will take a decision on this issue at the next session.

The next Council session will be held from 5 to 7 April 2010.

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With the payment made on 28 October 2010 to the nine remaining successful claimants (in the corporate and government claims categories) from the Compensation Fund, all awarded to Kuwait, the overall amount of compensation made available to date by the Commission is approximately US$ 30.7 billion, with a total outstanding balance of $21.7 billion remaining to be paid.

(*Signed*) Christian **Strohal**
President of the Governing Council